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AGENDA COVER MEMO

DATE: July 19, 2004 (Date of Memo)
August 4, 2004 (Date of Meeting)

TO: Board of County Commissioners

FROM: LCOG, Milo Mecham, Principal Planner

TITLE: Order No. 04-_____ IN THE MATTER OF ORDERING THE ACCEPTANCE OF THE RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING ADDITIONAL PROJECTS FOR THE FY 2003-2005 BIENNIUM

I. MOTION

MOVE TO ADOPT ORDER NO. 042-_____ IN THE MATTER OF ORDERING THE ACCEPTANCE OF THE RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING ADDITIONAL PROJECTS FOR THE FY 2003-2005 BIENNIUM

II. ISSUE OR PROBLEM

The Benton, Lane, Lincoln, Linn Regional Investment Board continues to receive applications for project funding. The Board has reviewed and approved four additional projects for funding. In accordance with the Intergovernmental Agreement creating the BL3 RIB, approval of the proposed project funding becomes final only after approval by the County members of the RIB. The proposed projects are presented for the Commissioners review and proposed approval.

III. DISCUSSION

A. Background

The Oregon legislature allocated funds for regional and rural investment funding by the Regional Investment Boards around the state. This biennium the BL3 Region was allocated \$865,883. The BL3 board developed a strategy, approved by Lane County and the

other members of the BL3 RIB, for disposition of these funds. The funds are to be used to support projects that have an immediate prospect of job creation and meet the other eligibility requirements. Most of the project funds have been designated to support private business activity. The basic eligibility requirements are that the project have an overall investment of five dollars (\$5) for each dollar of RIB money and will spend no more than \$3000 of RIB money for each job created. The Commissioners have previously approved five RIB projects.

The RIB approved four additional projects. The proposed amounts of funding and the important criteria are set forth on Attachment 2. A brief description of the nature of the projects, taken from the project application, is provided in Attachment 3.

Funds for all of these projects is not yet available, because of delays in processing by the State. The most recent information is that these delays have been eliminated and the funds will start becoming available. Because of the way the program is structured, not all the funds will be available until a year from now.

B. Analysis

The proposed projects fit within the criteria set by the RIB and the Commissioners. The only partial exception is the Ideal Steel application, which would have a ratio of \$2.84 to \$1, as opposed to the \$5.00 to \$1 in the Strategy. This is a small application, it easily exceeds all the other criteria. Overall the RIB will easily meet its criteria for dispersal of funds.

This set of projects will nearly exhaust the funds available to RIB.

C. Alternatives/Options

The options before the Board are as follows:

1. The Board may take no action. This would result in at least a delay in disbursement of funds to these or other projects.
2. The Board may choose to approve the BL3 RIB recommendations. When the other counties have done the same thing, the RIB staff will work out contracts reflecting the RIB requirements and the projects can get under way.
3. The Board may choose to reject the proposed amendments to the Strategy.

D. Recommendation

Staff recommends that the Board adopt the proposed Order.

IV. IMPLEMENTATION/FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate that action to the fiscal agent, CWCOG, and the fiscal agent will initiate contract discussions with the applicants.

V. ATTACHMENTS

1. Board Order No. 04-_____ in the Matter of Ordering the Acceptance Of The Recommendations of the Benton, Lane, Lincoln, Linn Regional Investment Board Regarding Funding Additional Projects For The Fy 2003-2005 Biennium
2. Regional Investment Board – Projects Funding Recommendations.
3. Brief Description of Regional Investment Board Projects Recommended for Funding
4. Memo from Drew Foster, Cascades West COG

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON

ORDER No.) **IN THE MATTER OF ORDERING**
) **THE ACCEPTANCE OF THE**
) **RECOMMENDATIONS OF THE**
) **BENTON, LANE, LINCOLN, LINN**
) **REGIONAL INVESTMENT BOARD**
) **REGARDING FUNDING**
) **ADDITIONAL PROJECTS FOR**
) **THE FY 2003-2005 BIENNIUM**

WHEREAS, the Lane County Board of Commissioners has formed a Regional Investment Board as a partnership between Lane County and Benton, Lincoln and Linn Counties, and

WHEREAS, the Regional Investment Board of Benton, Lane, Linn, Lincoln Counties (the BL3 RIB) has reviewed a number of project proposals focused on job creation and job retention; and

WHEREAS, after reviewing these project applications, the Regional Investment Board recommends four projects (see Attachment 2) for funding through the Regional and Rural Investment funds; and

WHEREAS, these recommended projects will advance the economic development objectives as defined in the Benton-Lane-Lincoln-Linn Regional Investment Strategy.

NOW THEREFORE IT IS HEREBY RESOLVED that the Lane County Board of Commissioners does hereby approve the recommendations made by the Benton-Lane-Lincoln-Linn Regional Investment Board and directs the fiscal agent for the Regional Investment Board, the Cascades West Economic Development District, to complete the necessary contracts to allow the projects to be carried out as planned.

DATED this 4th day of August, 2004

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM
Date 7/26/04 Lane County
[Signature]
OFFICE OF LEGAL COUNSEL

ATTACHMENT 2
REGIONAL INVESTMENT BOARD - PROJECTS FUNDING RECOMMENDATIONS

Projects Recommended:	Project Total Cost	Funds Requested	Matching Funds	Matching Funds/ RIB Request	Jobs Created	RIB Funds per Jobs Created	Average Wage of Jobs Created
OCCC							
Nurses Training	\$565,000	\$50,000	\$515,000	\$10.30	23	\$2,174	\$24.87
Linn Co. Business Devel.							
Innovate Systems NW	\$120,000	\$20,000	\$100,000	\$5.00	12	\$1,667	\$16.33
EDALC							
Radar Plumbing	\$200,000	\$12,000	\$188,000	\$15.67	4	\$3,000	\$13.00
Lane Metro Partnership							
Ideal Steel	\$15,685	\$4,080	\$11,605	\$2.84	10	\$408	\$10.55
TOTAL	\$900,685	\$86,080	\$814,605	\$9.46	10	\$1,757	\$18.89

Attachment 3

Brief Description of Regional Investment Board Projects Recommended for Funding

OCC Nurses Training Oregon Coast Community College (OCCC) is seeking funds to develop an Associate Degree in Nursing (ADN) Program to address a workforce need in Lincoln County. The Oregon State Board of Nursing had designated Lincoln County as a “critical shortage area” due to the need for nurses. In order to meet the OSBN standards, it takes 18-24 months to develop an ADN Program. During that time frame, the following objectives will be achieved: 1) hire a qualified nursing program director, 2) hire and orient full-time faculty and clinical instructors, 3) determine curriculum and gain approval from OSBN, 4) develop and implement student recruitment and admission processes, 5) construct and furnish faculty offices, classrooms, and clinical skills laboratory, 6) obtain library resources, identify approved clinical sites, and 7) recruit 18 students for the first class.

Linn Co. Business Development Center / Innovative Systems NW The Linn Co. Business Development Center will use the money requested to fund the expansion of Innovative Systems NW LLC (ISN) creating 11 new jobs in the Albany area in the next 12 months. ISN had nearly \$400,000 in sales in its 1st yr. ('03) of operation. This company has been declared eligible for \$50,000 of Linn County Investment funds to expand their operation. They design and install computerize vacuum veneer handling systems and currently employ 7 people.

EDALC / Radar Plumbing Lincoln County has a shortage of plumbers, and local companies frequently have to bring in temporary help from outside the county. This project will create four permanent full-time jobs locally. Radar Plumbing has 11 employees, and plans to hire 4 more as part of this project. Of Radar's 11 employees, 6 are plumbers. Pay for these ranges from \$17/hour to \$25/hour. More than 80% of Radar's business is done with other businesses, and thus it is a “business to business” operation. In order to hire the four new employees it needs, Radar Plumbing needs to expand its space substantially—the company's buildings and offices are already packed. The expansion will cost \$200,000.

Lane Metro Partnership / Ideal Steel Ideal Steel has 4 locations in 3 states, its corporate headquarters are in Eugene. Ideal steel is a supplier to two of Lane County's target industry clusters: Wood Products and RV Manufacturing. The company uses high tech computer download processing techniques for custom strength flame cutting of steel to make specialty custom parts and equipment. Ideal Steel has 65 employees and expects to hire 10 additional. As senior employees seek career advancement and wage increases, this company hopes to implement a management training program. This training not only encompasses job retention and career advancement, it opens space for 10 new jobs. Ideal Steel is important to Lane County as a supplier to two targeted and growing industry clusters in Lane County. The company has a distribution facility in Portland, Oregon and two full service custom flame cutting facilities in South Carolina and Ohio. The company owners have considered moving their headquarters to South Carolina where it is less expensive to do business. Providing funding to this company for its management training program will show a good faith effort to keep them here, while helping the company to expand its market share, move into other niche markets and at the same time retain employment and create new jobs.



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July 20, 2004

TO: Boards of Commissioners of Benton, Lane, Linn and Lincoln Counties

FROM: Drew Foster, Regional Investment Program Coordinator
CWCOG Community and Economic Development Program

SUBJECT: Recommendations from the BL3 Regional Investment Board Regarding Funding of Projects for the FY 2003-2005 Biennium

RECOMMENDATION:

The BL3 Regional Investment Board met on July 12th, 2004 and unanimously voted to recommend funding for four (4) projects (see Attachment A). Each County Board of Commissioners must approve the project list in order for the projects to receive funding.

The BL³ Region is scheduled to receive \$865,883 in funding for the 2003-2005 biennium. The County Boards of Commissioners previously took action to approve five (5) projects that totaled \$600,000; the current recommended projects (*Attachment A*) total \$86,080. Additional pre-applications and full applications are being reviewed. Staff anticipates that the RIB will be recommending additional projects to be funded in the coming months.

MEMBER GOVERNMENTS – COUNTIES: Benton, Lincoln, and Linn **CITIES:** Adair Village, Albany, Brownsville, Corvallis, Depoe Bay, Halsey, Harrisburg, Lebanon, Lincoln City, Lyons, Millersburg, Monroe, Newport, Philomath, Scio, Siletz, Sweet Home, Tangent, Toledo, Waldport, Yachats **OTHER:** Confederated Tribes of Siletz, Port of Newport, Port of Toledo

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